RATING ACCUMULATE | CMP INR 172 | TP INR 190

PL Capital PRABHUDAS LILLADHER

Union Bank of India (UNBK IN)

Q1FY27 Result Update

July 16, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	190		200	
NII (INR. mn)	402,001	437,614	397,086	435,256
% Chng.	*1.2*	*0.5*		
Op. Profit (INR mn)	305,509	331,804	295,898	317,162
% Chng.	*3.2*	*4.6*		
EPS (INR)	24.3	25.7	23.3	24.8
% Chng.	*4.3*	*3.6*		

Key Data UNBK.BO | UNBK IN

BSE Code	532174
NSE Code	BANKBARODA
52-W High / Low	INR 205 / INR 124
Face Value	10
Sensex / Nifty	77,185 / 24,079
Market Cap	INR 1,316 bn / $ 13,669 mn
Shares Outstanding	7633.61 mn
3M Avg. Daily Value	INR 2,841.60 mn

Shareholding Pattern (%)

Promoters	74.76
FIIs	9.37
Mutual Funds	4.03
Domestic Institution	7.48
Public & Others	4.36
Promoters Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	0.6	(8.7)	(3.8)	17.9
Relative	(0.6)	(7.6)	3.9	26.1

Key Financials - Standalone

Y/e Mar	FY25	FY26	FY27E	FY28E
NII (INR mn)	372,137	366,588	402,001	437,614
NIM (%)	*2.7*	*2.5*	*2.6*	*2.6*
Core PPOP (INR mn)	267,791	240,007	260,768	280,419
PAT (INR mn)	179,871	186,971	186,208	196,744
Core PAT (INR mn)	146,846	151,258	152,535	158,205
EPS (INR)	23.6	24.5	24.4	25.8
Gr. (%)	*31.8*	*3.9*	*(0.4)*	*5.7*
DPS (INR)	4.8	5.0	4.9	5.2
Yield (%)	*3.7*	*3.3*	*2.8*	*3.0*
RoAE (%)	*18.1*	*16.3*	*14.4*	*13.4*
Core RoAE (%)	*15.0*	*13.4*	*12.0*	*10.9*
RoAA (%)	*1.2*	*1.2*	*1.1*	*1.1*
Core RoAA (%)	*1.0*	*1.0*	*0.9*	*0.9*
P/BV (x)	0.9	0.9	1.0	0.8
P/ABV (x)	1.0	1.0	1.0	0.9
PE (x)	5.4	6.1	7.1	6.7
CAR (%)	*18.0*	*18.1*	*25.8*	*25.6*

Deposit growth a key monitorable

Quick Pointers

- Core PAT beat due to higher NII and lower provisions
- NIM beat due to liquidity utilisation and higher LDR
- We are watchful of deposit growth which has been weak

UNBK saw a decent quarter as core PPoP was a 4.6% beat driven by higher NII due to better reported NIM that increased by 16bps QoQ to 2.8%. Utilization of surplus cash and increase in LDR by 300bps QoQ led to better NIM. As deposit growth resumes and liquidity normalizes, NIM may moderate which we have factored. While loan growth for FY27 was guided at 1% above industry, we estimate loan CAGR of 10.5% over FY26-28E as we are watchful of deposit growth that has been muted (3.5% YoY in Q1'27). One-time ECL hit would be INR 60bn; sustainable impact is being evaluated. We keep multiple at 1.0x on Mar'28 ABV; cut TP to INR 190 from INR 200. Retain 'ACCUMULATE'.

Decent quarter; higher core PAT due to better NII/NIM: NII was a beat at INR 100.4bn (PLe INR 95.3bn) due to better NIM (calc.) which was 2.79% (PLe 2.62%); reported NIM was up 16bps QoQ to 2.80 %. Loan and deposit growth were broadly in-line at 13.3%/3.5% YoY. CASA ratio was stable at 35.1%. Other inc. was lower at INR 46bn (PLe INR 48.2bn) due to lower TWO recovery; fee was 4% higher. Opex at INR 66.4bn largely in-line with higher staff cost offset by lower other opex. Core PPoP at INR 70bn was 4.6% above PLe. Asset quality was steady; GNPA was a tad lower at 2.65% (Ple 2.7%) due to higher write-offs. Slippage was INR 21.6bn (PLe INR 22.1bn); recoveries were lower at INR 11.9bn (PLe INR 15.5bn). Provisions were lesser at INR 9.8bn (PLe Rs11.6bn). Core PAT was ~10% above PLe at INR 45.7bn.

Loan growth was mainly led by SME/corporate: Loan growth was healthy at 1.8% QoQ led by SME (+3.9%) and corporate (+1.7%); retail grew by +1.4%. Agri was flat QoQ due to gold loan transition. ECLGS disbursal was INR100bn to eligible pool of INR 150bn. Loan growth for FY27 was guided at 1% above industry; deposit growth is expected to trail loans by ~200bps. Bank suggested that there is no significant headroom on LDR (83.6% in Q1'27). We are conservatively factoring loan/deposit CAGR of 10.5%/8.6% over FY26-28E. The bank has mobilized USD 105mn of FCNR deposits so far and it expects to raise USD 1.5-2bn totally.

NIM improved QoQ; ECL impact under evaluation: Reported NIM improved by 16bps QoQ due to utilisation of surplus liquidity; bank expects further improvement in NIM; we increase NIM for FY27/28E by 5bps to ~2.6%. Management estimates a one-time incremental ECL impact of ~INR 60bn while it is still evaluating the impact of sustained increase in provisions.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	*% Var.*	Q1'26A	*YoY gr. (%)*
NII (INR mn)	95,264	1,00,372	*5.4*	91,126	*10.1*
Margin (%)	2.62	2.79	*17 bps*	2.64	*15 bps*
Core PPoP (INR mn)	66,976	70,056	*4.6*	57,569	*21.7*
Core PAT (INR mn)	41,529	45,753	*10.2*	32,116	*42.5*

Source: Company, PL

Gaurav Jani
gauravjani@plindia.com | +91-22-66322235

Adarsh Shetty
adarshshetty@plindia.com | +91-22-66322257

Tarang Nandwana
tarangnandwana@plindia.com | +91-22-66322222

Q1FY27 Concall Highlights

Balance sheet

- Advances grew 13.3% YoY (+1.8% QoQ) to INR 10.7trn. Management guided for credit growth of ~12-13%, ~100bps ahead of industry, while deposit growth is expected to trail advances growth by ~200bps.

- Corporate portfolio grew by 1.7% QoQ (+13.7% YoY) to INR 4.9trn; Undisbursed sanctioned corporate loans stood at ~INR 1tn

- Agri growth remained muted due to the ongoing gold loan transition and related compliance requirements. RAM portfolio growth is expected at 18-20%, led by retail and agriculture schemes; ECLGS loans of ~INR100bn has been disbursed of the eligible pool of INR 150bn.

- CASA grew by 11.7% YoY (-2.1% QoQ) to INR 4.50trn, mainly due to ecosystem banking led sourcing with ~118 centres and 12 hubs across country.

- Bulk deposits declined 21.8% YoY (-9.0% QoQ) as bank remains selective on bulk deposits and targets reduce its share to ~15% of deposits (currently 19.6%), while maintaining the stickiness of CASA and RTDs.

- The bank mobilised USD 105-106mn of FCNR deposits during Q1FY27 and targets USD 1.5-2bn by Sep'27. It also expects to raise USD 200-300mn through ECBs.

- CET-1 ratio improved to 16.4% (vs. 15.7%), reflecting a strong capital position; LCR stands at 121% with 2.5-3% improvement driven by revised guidelines; LDR comfortable at 84% (81% QoQ)

Profit & loss

- NIM (reported) improved by 16bps QoQ from 2.64% to 2.80% in Q1FY27; Management believes NIMs have bottomed out and expects further improvement going forward.

- Cost of deposits declined to 5.05% from 5.23% QoQ, driven by a higher CASA+RTD mix and lower reliance on bulk deposits; CoF remained largely stable at 4.37%, as lower deposit costs were offset by higher borrowing costs of Tier-II bonds; borrowing cost to normalise as tier-II bonds nearing maturity.

- Other income declined to INR 46bn (-15% QoQ) from INR 54bn in Q4FY26 as Q4 witnessed recovery of a large account; PSLC income stood at INR 2.2bn.

- NPA provisions were accelerated to INR 10.2bn vs. INR 4.2bn in Q4FY26 primarily to maintain GNPA levels and for efficient tax planning.

Asset quality

- Slippages remained stable at INR 21bn (0.86%), while write-offs increased to INR 22.7bn from INR 11.7bn in Q4FY26, aimed at containing GNPA levels and supporting tax planning.

- Bank created prudential provision buffer of INR 1bn during the quarter (primarily for ECL), over and above INR 7bn created in Q4FY26.

- Management estimates a one-time ECL impact of ~INR 60bn and will evaluate the timing of provisioning over the coming quarters.

Exhibit 1: Quarterly estimates

(INR mn)	Q1FY27	YoY gr. (%)	Q2FY27E	YoY gr. (%)	Q3FY27E	YoY gr. (%)	Q4FY27E	YoY gr. (%)
NII	1,00,372	10.1	98,564	11.8	1,01,071	8.4	1,01,993	8.4
Core PPoP	70,056	21.7	67,286	24.3	67,847	16.2	55,580	(20.5)
NIM (%)	*2.8*	*14.7bps*	*2.7*	*15.1bps*	*2.7*	*3.4bps*	*2.7*	*7.2bps*
Core PAT	45,753	42.5	39,446	25.2	38,214	(8.6)	29,147	(36.3)

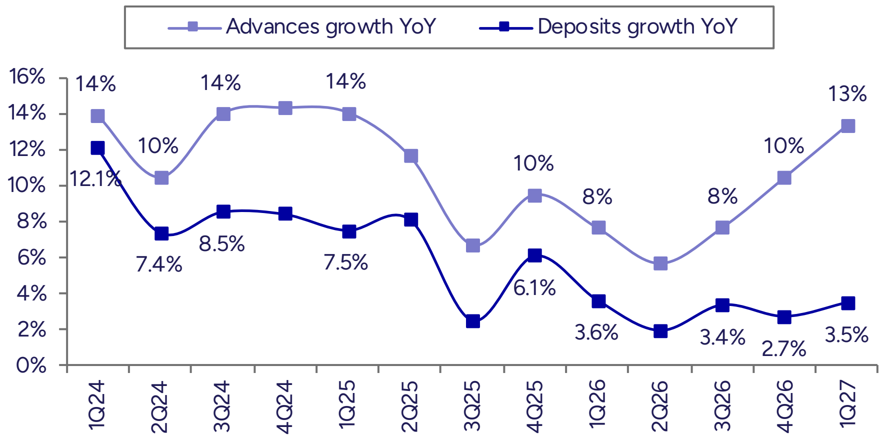
Source: Company, PL

Exhibit 2: Core PAT beat led by better NII/NIM

P&L (Rs mn)	Q1FY27	Q1FY26	YoY gr. (%)	Q1FY27E	% Var.	Q4FY26	QoQ gr. (%)
Interest income	2,72,032	2,72,956	*(0.3)*	2,65,701	*2.4*	2,64,390	*2.9*
Interest expense	1,71,660	1,81,830	*(5.6)*	1,70,437	*0.7*	1,70,330	*0.8*
Net interest income (NII)	**1,00,372**	**91,126**	***10.1***	**95,264**	***5.4***	**94,060**	***6.7***
-Fee income	28,630	24,840	*15.3*	27,439	*4.3*	28,830	*(0.7)*
-Other income	17,400	20,018	*(13.1)*	20,750	*(16.1)*	25,291	*(31.2)*
Total income	**1,46,402**	**1,35,983**	***7.7***	**1,43,453**	***2.1***	**1,48,181**	***(1.2)***
Operating expenses	66,377	66,897	*(0.8)*	66,726	*(0.5)*	68,628	*(3.3)*
-Staff expenses	38,153	39,459	*(3.3)*	37,159	*2.7*	34,248	*11.4*
-Other expenses	28,223	27,438	*2.9*	29,567	*(4.5)*	34,381	*(17.9)*
Operating profit	**80,026**	**69,087**	***15.8***	**76,726**	***4.3***	**79,553**	***0.6***
Core operating profit	**70,056**	**57,569**	***21.7***	**66,976**	***4.6***	**69,932**	***0.2***
Total provisions	9,794	16,645	*(41.2)*	11,605	*(15.6)*	10,550	*(7.2)*
Profit before tax	**70,232**	**52,442**	***33.9***	**65,122**	***7.8***	**69,003**	***1.8***
Tax	16,909	11,286	*49.8*	16,280	*3.9*	15,846	*6.7*
Profit after tax	**53,323**	**41,155**	***29.6***	**48,841**	***9.2***	**53,158**	***0.3***
Balance Sheet (Rs bn)							
Deposits	1,28,33,658	1,23,99,326	*3.5*	1,28,33,650	*0.0*	1,30,68,914	*(1.8)*
Advances	1,07,22,552	94,60,521	*13.3*	1,07,05,813	*0.2*	1,05,32,775	*1.8*
Ratios (calc %)							
RoaA	1.4	1.1	*27*	1.3	*13*	1.4	*2*
RoaE	17.0	15.0	*196*	15.6		17.6	*(64)*
NIM	2.8	2.6	*15*	2.6	*17*	2.6	*21*
Yield on Advances	8.3	8.8	*(48)*	8.1	*19*	8.1	*24*
Cost of Funds	5.2	5.7	*(53)*	5.1	*10*	5.0	*15*
Asset Quality							
Gross NPL (Rs m)	2,90,927	3,43,113	*(15.2)*	2,95,560	*(1.6)*	3,04,008	*(4.3)*
Net NPL (Rs m)	50,170	58,739	*(14.6)*	50,245	*(0.2)*	50,673	*(1.0)*
Gross NPL ratio	2.7	3.5	*(87)*	2.7	*(5)*	2.8	*(16)*
Net NPL ratio	0.5	0.6	*(15)*	0.5	*(0)*	0.5	*(1)*
Coverage ratio	82.8	82.9	*(13)*	83.0	*(24)*	83.3	*(58)*
Business & Other Ratios							
Low-cost deposit mix	35.1	32.5	*258*	34.9		35.2	*(12)*
Cost-income ratio	45.3	49.2	*(386)*	46.5	*(118)*	46.3	*(98)*
Non int. inc / total income	31.4	33.0	*(155)*	33.6	*(215)*	36.5	*(508)*
Credit deposit ratio	83.6	76.3	*725*	83.4	*13*	80.6	*296*
CAR	18.5	18.3	*16*			18.1	*36*
Tier-I	17.3	16.6	*74*			16.6	*69*

Source: Company, PL

Exhibit 3: Advances growth increased to 13% YoY; Deposit growth muted 3.5% YoY



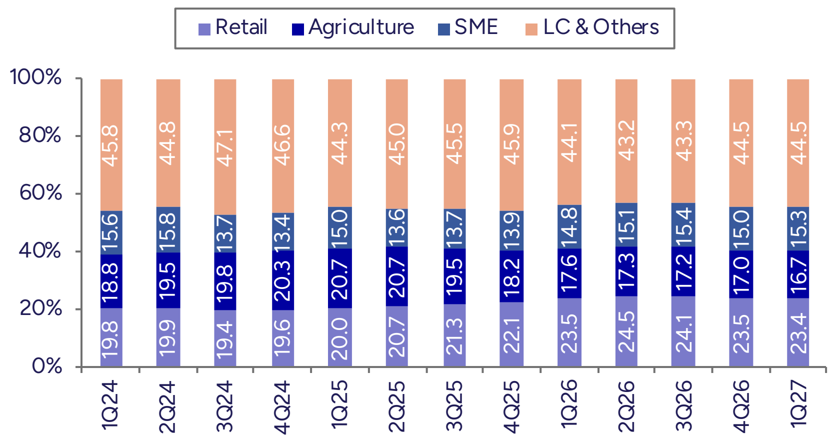
Source: Company, PL

Exhibit 4: Sequential growth of 1.6% led by SME, Corporate & Retail book

Loan Book Details (Rs bn)	Q1FY27	Q1FY26	*YoY gr. (%)*	Q4FY26	*QoQ gr. (%)*
Gross Advances	**1,09,63,310**	**97,44,890**	***12.5***	**1,07,86,110**	***1.6***
Large Corporates	48,82,360	42,94,020	*13.7*	48,01,270	*1.7*
SME	16,82,580	14,44,410	*16.5*	16,20,070	*3.9*
Agri	18,31,840	17,16,060	*6.7*	18,33,940	*(0.1)*
International	3,52,030	3,63,910	*(3.3)*	3,76,570	*(6.5)*
Retail	25,66,530	22,90,400	*12.1*	25,30,830	*1.4*
Home	12,83,960	11,31,670	*13*	12,57,100	*2*
Auto	3,00,370	2,32,550	*29*	2,84,150	*6*
Education	1,81,490	1,62,250	*12*	1,81,660	*(0)*
Other Retail	8,00,710	7,63,940	*5*	8,07,920	*(1)*

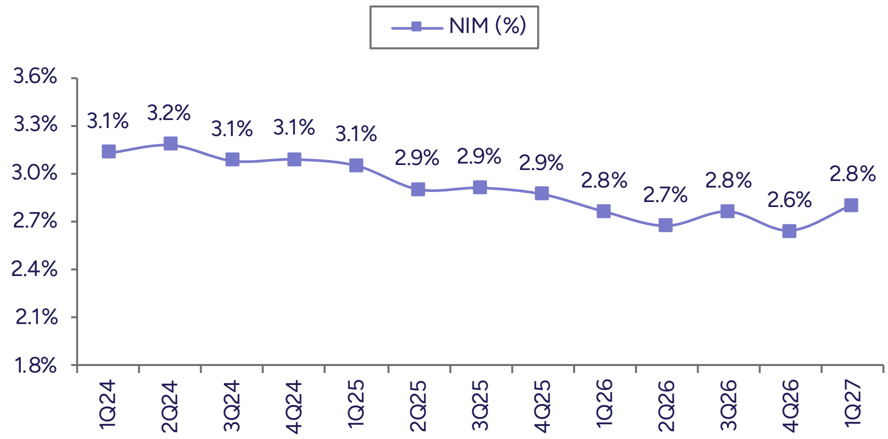
Source: Company, PL

Exhibit 5: Retail:corporate mix stable at 56:44



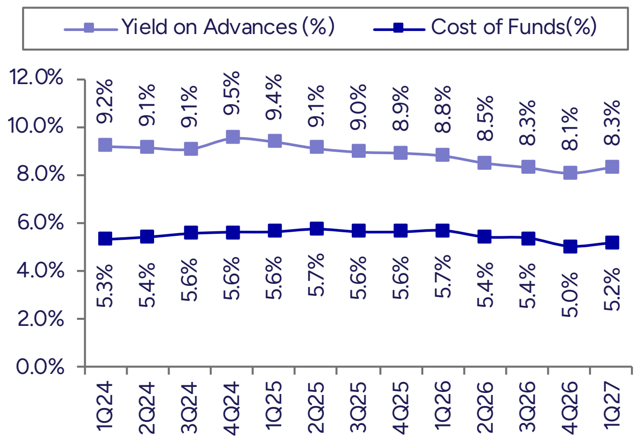
Source: Company, PL

Exhibit 6: NIMs improved by ~21bps QoQ to 2.79%



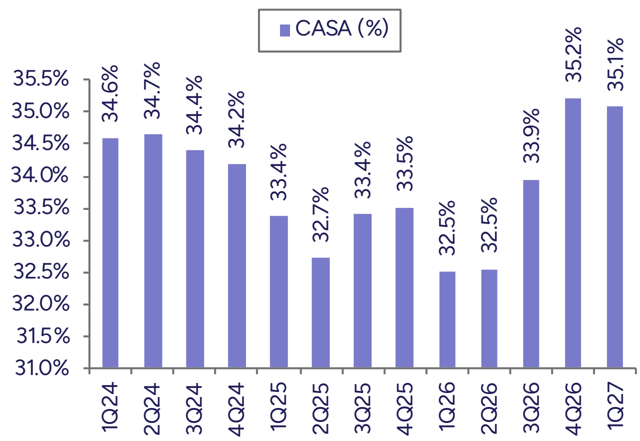
Source: Company, PL

Exhibit 7: Yield on advances (cal.) improved QoQ to 8.3%



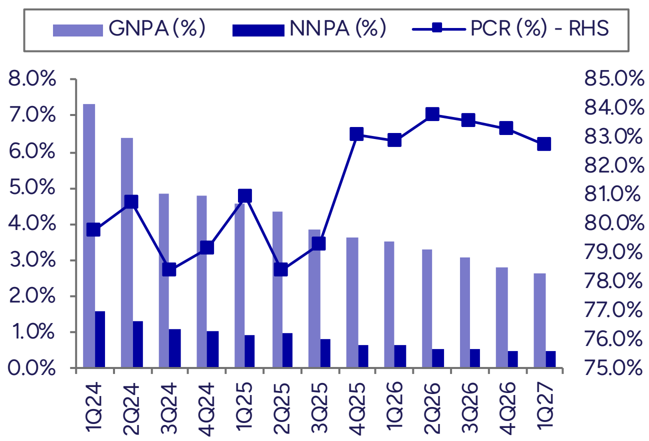
Source: Company, PL

Exhibit 8: CASA ratio stable at 35.1%



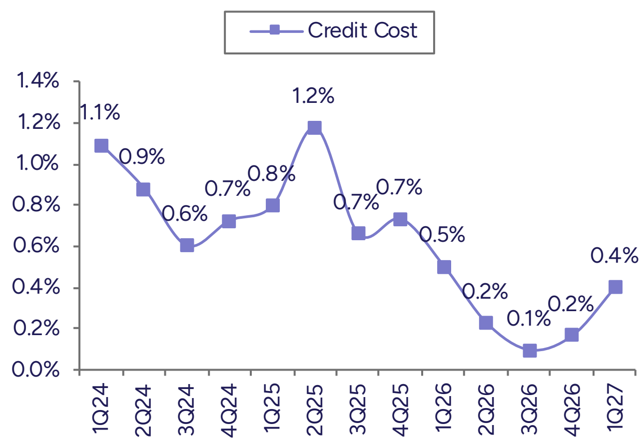
Source: Company, PL

Exhibit 9: GNPA/NNPA improved to 2.65%/0.47%



Source: Company, PL

Exhibit 10: Credit cost increased to 0.4% due to buffer provisions



Source: Company, PL

Exhibit 11: Slippages came in at INR21.6bn, while overall asset quality has improved

(Rs mn)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27
Additions	32,410	26,320	26,810	33,230	23,180	52,190	19,690	25,670	23,450	21,510	18,530	21,020	21,570
Slippages (%)	1.8%	1.5%	1.5%	1.9%	1.1%	2.6%	1.0%	1.3%	1.0%	0.9%	0.8%	0.9%	0.9%
Recovery	11,660	17,220	27,250	16,760	12,000	9,770	11,300	16,170	7,900	11,130	12,120	12,900	9,130
Upgradation	10,010	9,840	13,880	8,400	6,070	10,070	7,250	9,240	5,190	10,630	4,820	3,650	2,790
Write offs	19,576	60,175	93,184	9,712	21,858	41,590	40,590	12,300	20,760	22,010	11,240	11,670	22,730
Gross NPAs	**6,01,037**	**5,40,123**	**4,32,619**	**4,30,977**	**4,14,229**	**4,04,989**	**3,65,543**	**3,53,504**	**3,43,113**	**3,20,851**	**3,11,209**	**3,04,008**	**2,90,927**
Gross NPA Ratio	7.34	6.38	4.83	4.76	4.54	4.36	3.85	3.60	3.52	3.29	3.06	2.82	2.65
Net NPAs	**1,21,379**	**1,04,210**	**93,512**	**89,899**	**79,020**	**87,586**	**75,684**	**59,693**	**58,739**	**52,094**	**51,022**	**50,673**	**50,170**
Net NPA Ratio	1.58	1.30	1.08	1.03	0.90	0.98	0.82	0.63	0.62	0.55	0.51	0.48	0.47
PCR	**79.8%**	**80.7%**	**78.4%**	**79.1%**	**80.9%**	**78.4%**	**79.3%**	**83.1%**	**82.9%**	**83.8%**	**83.6%**	**83.3%**	**82.8%**
NPAs breakup													
MSME	1,54,890	1,40,950	1,11,990	1,15,020	1,15,620	1,02,490	51,200	57,640	63,480	65,230	66,260	68,630	69,750
Retail	48,800	46,880	39,300	41,640	43,910	37,880	31,340	31,460	27,160	26,880	26,710	25,130	22,910
Agriculture	1,52,450	1,47,930	1,51,250	1,56,450	1,53,510	1,48,730	1,46,430	1,43,580	1,44,520	1,43,270	1,41,630	1,39,610	1,37,150
Others	2,44,900	2,04,360	1,30,080	1,17,870	1,01,190	1,15,880	1,36,570	1,20,820	1,07,950	85,470	76,610	70,640	61,120

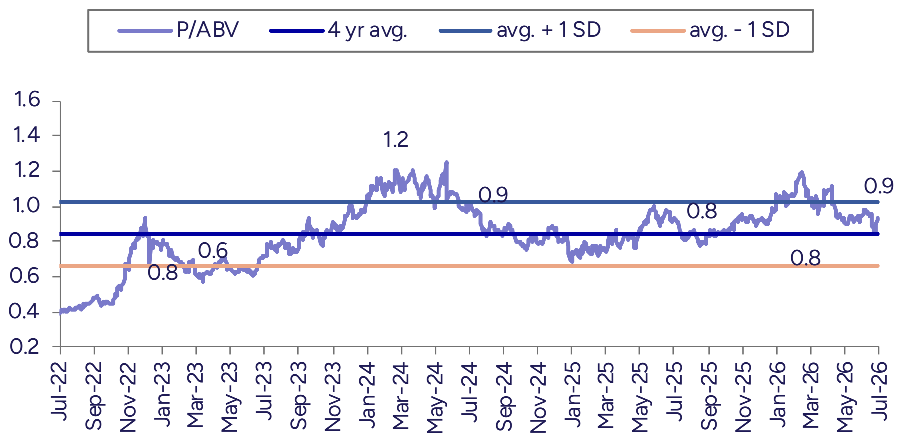
Source: Company, PL

Exhibit 12: Return ratios to remain at ~13.5-14.5%

RoA decomposition (%)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Interest Income/Assets	2.5	2.7	2.7	2.6	2.4	2.5	2.5
Other Income/Assets	1.1	1.2	1.2	1.4	1.3	1.2	1.2
Net revenues/Assets	**3.6**	**3.8**	**3.9**	**3.9**	**3.7**	**3.7**	**3.7**
Operating Expense/Assets	1.6	1.8	1.8	1.8	1.8	1.8	1.8
Provisions/Assets	1.2	1.1	0.5	0.5	0.3	0.4	0.4
Taxes/Assets	0.3	0.3	0.6	0.4	0.4	0.4	0.4
ROA	**0.5**	**0.7**	**1.0**	**1.2**	**1.2**	**1.1**	**1.1**
ROE	**8.3**	**12.2**	**16.7**	**18.1**	**16.3**	**14.4**	**13.4**

Source: Company, PL

Exhibit 13: One-year forward P/ABV trades at 0.9x



Source: Company, PL

Quarterly Financials

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Income Statement (INR m)								
Interest earned	267,084	265,436	276,952	272,956	261,906	264,434	264,390	272,032
Interest expended	176,612	173,033	181,812	181,830	173,782	171,155	170,330	171,660
Net Interest Income	**90,473**	**92,403**	**95,140**	**91,126**	**88,124**	**93,279**	**94,060**	**100,372**
Other income	53,280	44,166	55,591	44,858	49,958	45,411	54,121	46,030
Fees	**25,630**	**23,650**	**24,880**	**22,190**	**24,430**	**24,500**	**26,310**	**26,830**
Total Income	143,753	136,568	150,731	135,983	138,082	138,690	148,181	146,402
Operating Expenses	**62,625**	**61,650**	**73,730**	**66,897**	**69,942**	**69,274**	**68,628**	**66,377**
Employees	35,627	34,678	40,691	39,459	39,087	40,111	34,248	38,153
Others	26,999	26,972	33,039	27,438	30,856	29,163	34,381	28,223
Operating profit	81,128	74,918	77,001	69,087	68,140	69,416	79,553	80,026
Core PPoP	**69,697**	**66,703**	**58,441**	**57,569**	**54,131**	**58,376**	**69,932**	**70,056**
Provisions	**17,122**	**15,991**	**15,439**	**16,645**	**13,967**	**3,222**	**10,550**	**9,794**
Profit before tax	64,006	58,928	61,562	52,442	54,172	66,194	69,003	70,232
Taxes	16,808	12,891	11,713	11,286	11,681	16,026	15,846	16,909
Net Profit	47,197	46,036	49,849	41,155	42,491	50,168	53,158	53,323
Core PAT	**38,769**	**39,618**	**34,820**	**32,116**	**31,503**	**41,800**	**45,746**	**45,753**
Balance Sheet (INR m)								
Share capital	76,336	76,336	76,336	76,336	76,336	76,336	76,336	76,336
Reserves & surplus	994,056	1,039,218	1,053,416	1,094,577	1,135,654	1,184,370	1,209,414	1,267,131
Deposits	12,111,784	11,830,652	12,722,470	12,399,326	12,346,209	12,228,559	13,068,914	12,833,658
Borrowings	566,122	659,797	648,443	676,553	685,957	784,407	771,902	725,276
Other liabilities	381,763	460,379	497,892	572,444	494,294	551,346	566,981	533,000
Total liabilities	**14,130,061**	**14,066,383**	**14,998,557**	**14,819,235**	**14,738,449**	**14,825,019**	**15,693,546**	**15,435,401**
Cash & bank	1,045,164	935,095	1,313,340	1,392,962	1,130,436	793,222	957,047	516,003
Investments	3,534,051	3,399,099	3,543,814	3,406,225	3,456,957	3,312,264	3,302,362	3,327,375
Advances	8,970,919	9,201,782	9,535,133	9,460,521	9,483,311	9,908,650	10,532,775	10,722,552
Fixed assets	92,117	94,095	97,819	98,481	99,493	98,493	116,080	115,783
Other assets	487,810	436,311	508,451	461,047	568,252	712,390	785,283	753,688
Total assets	**14,130,061**	**14,066,383**	**14,998,557**	**14,819,235**	**14,738,449**	**14,825,019**	**15,693,546**	**15,435,401**
Balance sheet ratios (%)								
Loan growth	2.1	2.6	3.6	(0.8)	0.2	4.5	6.3	1.8
Deposit growth	1.2	(2.3)	7.5	(2.5)	(0.4)	(1.0)	6.9	(1.8)
LDR	74.1	77.8	74.9	76.3	76.8	81.0	80.6	83.6
CASA	32.7	33.4	33.5	32.5	32.5	33.9	35.2	35.1
Capital Adequacy (%)								
CET-1	13.9	13.6	15.0	15.3	14.4	13.9	15.7	16.4
Tier-2	1.9	1.8	1.8	1.7	1.5	1.4	1.5	1.1
CRAR	17.1	16.7	18.0	18.3	17.1	16.5	18.1	18.5
Profitability ratios (%)								
Yield on assets	8.1	8.0	7.8	7.9	7.7	7.7	7.3	7.5
Cost of funds	5.7	5.6	5.6	5.7	5.4	5.4	5.0	5.2
NIM	2.8	2.8	2.7	2.6	2.6	2.6	2.5	2.8
Fees/Assets	0.8	0.7	0.7	0.6	0.7	0.7	0.7	0.7
Cost/Income	43.6	45.1	48.9	49.2	50.7	49.9	46.3	45.3
Opex/avg assets	0.4	0.4	0.5	0.4	0.5	0.5	0.4	0.4
RoA	1.2	1.3	1.2	1.1	1.2	1.2	1.2	1.4
Core RoA	1.1	1.1	1.0	0.9	0.9	1.2	1.2	1.2
RoE	17.1	16.9	17.1	14.7	14.7	15.0	15.5	16.7
Core RoE	15.8	15.5	13.3	11.7	11.0	14.1	15.2	14.6
EPS (INR)	4.9	4.8	5.2	4.3	4.5	5.3	5.6	5.6
BVPS (INR)	140.2	146.1	148.0	153.4	158.8	165.2	168.4	176.0
ABVPS (INR)	128.7	136.2	140.2	145.7	151.9	158.5	161.8	169.4
Asset quality ratios (%)								
GNPA	4.4	3.9	3.6	3.5	3.3	3.1	2.8	2.7
NNPA	1.0	0.8	0.6	0.6	0.5	0.5	0.5	0.5
Provision coverage	78.4	79.3	83.1	82.9	83.8	83.6	83.3	82.8
Provision costs	0.8	0.7	0.7	0.7	0.6	0.1	0.4	0.4
Slippage	2.6	1.0	1.3	1.0	0.9	0.8	0.9	0.9
NNPA/Equity	8.2	6.8	5.3	5.0	4.3	4.0	3.9	3.7

Source: Company, PL

Financials

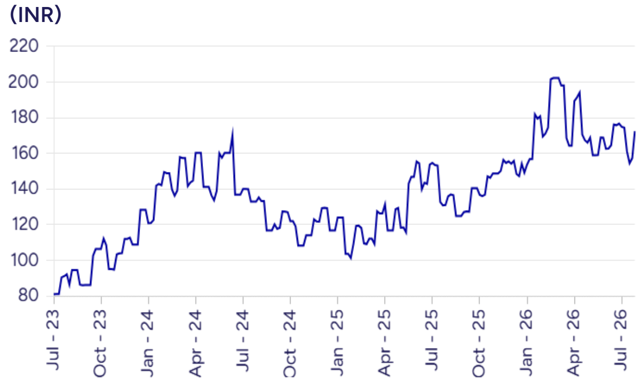
Y/e Mar	FY25	FY26	FY27E	FY28E
Income Statement (INR m)				
Interest earned	1,059,089	1,059,922	1,114,158	1,225,196
Interest expended	686,953	693,334	712,157	787,582
Net Interest Income	**372,137**	**366,588**	**402,001**	**437,614**
Other income	198,129	194,348	198,737	217,133
Fees	**102,840**	**97,430**	**111,412**	**122,680**
Net Total Income	570,266	560,936	600,737	654,747
Operating Expenses	**259,365**	**274,741**	**295,228**	**322,943**
Employees	146,676	152,904	168,193	181,714
Others	112,689.1	121,837.0	127,034.9	141,229.8
Operating profit	310,900	286,195	305,509	331,804
Core PPoP	**267,791**	**240,007**	**260,768**	**280,419**
Provisions	**76,110**	**44,385**	**58,097**	**69,478**
Profit before tax	234,791	241,810	247,412	262,325
Taxes	54,920.0	54,840.0	61,203.8	65,581.3
Net Profit	179,871	186,971	186,208	196,744
Core PAT	**146,846**	**151,258**	**152,535**	**158,205**
Growth Ratios (%)				
Loans	9.5	10.5	11.0	10.0
Deposits	6.1	2.7	7.2	10.0
NII	1.8	(1.5)	9.7	8.9
Fees	25.7	(5.3)	14.4	10.1
Opex	6.1	5.9	7.5	9.4
Core PPoP	6.2	(10.4)	8.7	7.5
Provisions	12.3	(41.7)	30.9	19.6
Core PAT	25.1	3.0	0.8	3.7
Profitability Ratios (%)				
Yield on IEA	7.7	7.3	7.2	7.3
Cost of funds	5.3	5.1	5.0	5.1
NIM	**2.7**	**2.5**	**2.6**	**2.6**
Cost/Income	45.5	49.0	49.1	49.3
Provision cost	**0.8**	**0.4**	**0.5**	**0.6**
Tax rate	23.4	22.7	24.7	25.0
Core RoA	**1.0**	**1.0**	**0.9**	**0.9**
Core RoE	**15.0**	**13.4**	**12.0**	**10.9**
Du-pont (%)				
Interest income	**7.3**	**6.9**	**6.8**	**6.9**
Interest expenses	**4.8**	**4.5**	**4.4**	**4.4**
NII	**2.6**	**2.4**	**2.5**	**2.5**
Other income	1.4	1.3	1.2	1.2
Fees/avg assets	**0.8**	**0.7**	**0.7**	**0.7**
Total income	**3.9**	**3.7**	**3.7**	**3.7**
Opex/avg assets	**1.8**	**1.8**	**1.8**	**1.8**
Staff cost	1.0	1.0	1.0	1.0
Other opex	0.8	0.8	0.8	0.8
PPOP	**2.2**	**1.9**	**1.9**	**1.9**
Core PPoP/avg assets	**1.9**	**1.6**	**1.6**	**1.6**
Provisions	0.5	0.3	0.4	0.4
PBT	**1.6**	**1.6**	**1.5**	**1.5**
Tax	0.4	0.4	0.4	0.4
RoA	**1.2**	**1.2**	**1.1**	**1.1**
RoE	**18.1**	**16.3**	**14.4**	**13.4**

Source: Company, PL

Y/e Mar	FY25	FY26	FY27E	FY28E
Balance Sheet (INR m)				
Equity	1,129,752	1,285,750	1,439,111	1,635,855
Share capital	76,336	76,336	76,336	76,336
Deposits	12,722,470	13,068,914	14,006,028	15,403,217
Borrowings	648,444	771,902	897,844	849,054
Other Liabilities	497,892	566,980	582,423	655,522
Total liabilities	**14,998,558**	**15,693,546**	**16,925,406**	**18,543,649**
Cash with RBI	895,035	664,728	540,039	584,556
Balance with banks	413,348	292,319	177,056	199,278
Investments	3,543,814	3,302,362	3,589,317	3,885,761
Advances	9,535,133	10,532,775	11,688,064	12,854,022
Fixed assets	97,819	116,080	119,291	124,135
Other assets	513,408	785,283	811,640	895,898
Total assets	**14,998,557**	**15,693,546**	**16,925,406**	**18,543,649**
Balance sheet ratios (%)				
LDR	74.9	80.6	83.5	83.5
CASA	33.5	35.2	36.3	36.3
Inv/NDTL	25.6	22.9	23.2	23.0
Borr/NDTL	4.7	5.4	5.8	5.0
Assets/equity (x)	13.3	12.2	11.8	11.3
RWA/Loans	73.8	72.3	70.3	69.1
RWA/Total assets	46.9	48.5	48.6	47.9
Capital ratios (%)				
CRAR	18.0	18.1	25.8	25.6
CET-1	15.0	15.7	16.1	17.0
AT-1	1.3	0.9	1.0	1.0
Tier-2	1.8	1.5	8.7	7.7
Asset quality ratios (%)				
GNPA (INR mn)	353,506	304,010	283,151	273,782
NNPA (INR mn)	59,693	50,673	48,132	46,540
GNPA	3.6	2.8	2.4	2.1
NNPA	0.6	0.5	0.4	0.4
PCR	83.1	83.3	83.0	83.0
Slippage	1.4	0.9	1.0	1.0
NNPA / Equity	5.3	3.9	3.3	2.8
Per share (INR)				
EPS	23.6	24.5	24.4	25.8
DPS	4.8	5.0	4.9	5.2
BVPS	140.8	159.3	179.4	205.2
ABVPS	133.0	152.6	173.1	199.1
Valuation (x)				
Price (INR)	127.0	149.8	173.0	173.0
P/E	5.4	6.1	7.1	6.7
P/BV	0.9	0.9	1.0	0.8
P/ABV	1.0	1.0	1.0	0.9

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	07-Jul-26	Accumulate	200	161
2	24-Apr-26	Accumulate	200	180
3	10-Apr-26	Accumulate	200	185
4	19-Feb-26	BUY	200	193
5	15-Jan-26	BUY	200	179
6	08-Jan-26	BUY	160	166
7	31-Oct-25	BUY	160	142
8	07-Oct-25	BUY	150	139
9	21-Jul-25	BUY	150	146
10	07-Jul-25	BUY	160	152

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Axis Bank	BUY	1600	1341
2	Bank of Baroda	Accumulate	290	248
3	Canara Bank	Accumulate	150	125
4	Canara Robeco Asset Management Company	HOLD	280	252
5	City Union Bank	BUY	310	228
6	DCB Bank	BUY	155	185
7	Federal Bank	Accumulate	300	332
8	HDFC Asset Management Company	BUY	3020	2773
9	HDFC Bank	BUY	1100	829
10	ICICI Bank	BUY	1825	1415
11	ICICI Prudential Asset Management Company	BUY	3550	3206
12	Indian Bank	BUY	1000	843
13	IndusInd Bank	Accumulate	960	1022
14	Karur Vysya Bank	BUY	345	314
15	Kotak Mahindra Bank	BUY	480	382
16	Nippon Life India Asset Management	BUY	1050	1208
17	Prudent Corporate Advisory Services	Accumulate	2875	3021
18	State Bank of India	BUY	1200	1038
19	Union Bank of India	Accumulate	200	161
20	UTI Asset Management Company	HOLD	975	992

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BUY : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

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Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

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